

## Message Text

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PAGE 01 BEIRUT 01759 190726Z

ACTION OPIC-06

INFO OCT-01 NEA-10 EB-08 ISO-00 L-03 /028 W

-----190735Z 003945 /10

R 190641Z APR 77

FM AMEMBASSY BEIRUT

TO SECSTATE WASHDC 3700

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DEPARTMENT ALSO PASS OPIC

E.O. 11652: NA

TAGS: EINV

SUBJ: OPIC INTEREST IN LEBANON

REF: STATE 073840

1. DCM HAS DISCUSSED QUESTION OF AN OPIC INVESTMENT INCENTIVE AGREEMENT INFORMALLY WITH GOL MINISTER OF FINANCE RAPHAEL AND NEWLY-APPOINTED DIRECTOR OF RECONSTRUCTION AND DEVELOPMENT BOARD MOHAMMAD ATALLAH. BOTH EXPRESSED INTEREST IN EXPLORING THIS POSSIBILITY FURTHER. RAPHAEL EXPLAINED THAT SUCH AGREEMENT HAD NOT APPEALED TO GOL IN THE PAST BECAUSE IT REQUIRED PASSING A SPECIAL LAW GUARANTEEING REPAYMENT OF U.S. INVESTMENTS UNDER CERTAIN CIRCUMSTANCES. SINCE INVESTMENTS OF OTHER COUNTRIES WERE NOT SO GUARANTEED, THIS HAD CREATED POLITICAL PROBLEMS. HE THOUGHT, HOWEVER, THAT UNDER PRESENT CIRCUMSTANCES IT WOULD BE POSSIBLE TO SIGN SUCH AN AGREEMENT. BOTH MEN RECOGNIZED THAT CONCLUSION OF AN INVESTMENT INCENTIVE AGREEMENT COULD HAVE FAVORABLE PSYCHOLOGICAL IMPACT AND CONTRIBUTE TO RECONSTRUCTION EFFORTS BY ENCOURAGING INVESTMENT BY OTHER COUNTRIES AS WELL AS U.S. FIRMS.

2. IN LIGHT OF THIS ATTITUDE, EMBASSY STRONGLY

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RECOMMENDS THAT OPIC BOARD AUTHORIZE CONCLUSION OF INVESTMENT INCENTIVE. EVEN THOUGH "EXECUTION OF SUCH AN AGREEMENT MIGHT NOT RESULT IN IMMEDIATE AVAILABILITY OF SUBSTANTIAL AMOUNTS OF INSURANCE," ITS EXISTENCE WOULD BE A POSITIVE FACTOR AND WOULD ENABLE U.S. FIRMS TO MOVE QUICKLY AT APPROPRIATE MOMENT. FOR EXAMPLE, IN CONNECTION WITH

ONGOING HOUSING PROGRAM, OPIC INSURANCE OF U.S. PRIVATE INSURANCE COMPANIES WOULD BE OF CRITICAL IMPORTANCE IN INDUCING THEM TO INSURE MORTGAGES IN LEBANON. WE ARE TRANSMITTING BY AIRGRAM (BEIRUT A-9) TEXT OF DECREE LAW ISSUED EARLIER THIS YEAR WHICH GUARANTEES INVESTMENTS AGAINST WAR RISKS AND MAY FACILITATE CONCLUSION OF OPIC AGREEMENT WITH LEBANON. EMBASSY WOULD APPRECIATE RECEIVING COPY OF SAMPLE OPIC INVESTMENT INCENTIVE AGREEMENT FOR DISCUSSION WITH GOL OFFICIALS, WHEN INSTRUCTED. PARKER

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NNN

## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** INVESTMENT GUARANTEES, LOAN AGREEMENTS  
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**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Status:** NATIVE  
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**TAGS:** EINV, LE, OPIC  
**To:** STATE  
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**Review Markings:**  
Margaret P. Grafeld  
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